

FOR IMMEDIATE RELEASE

Efficiency and Innovation – *Doing more with less*

Hanoi, 28 April 2017 – Masan Resources Corporation (**HNX-UpCOM**: “MSR”, “Masan Resources” or the “Company”), one of Vietnam’s largest integrated resource producer and chemical processor, is pleased to report its management accounts for the first three months of 2017 (‘3M2017’).

As part of management’s goal in 2017 to *do more from less*, management completed operational adjustments in 3M2017 that resulted in record throughput and recoveries across all products on a quarterly basis. As a result MSR recorded profit attributable to shareholders of VND44 billion in 3M2017, a significant increase over the same period last year.

FINANCIAL HIGHLIGHTS: EARNINGS GROWTH AND CONTINUED MARGIN IMPROVEMENT

- **Net revenue up 46%** – Increased efficiency and higher prices for all products in comparison to the same period last year resulted in a net revenue increase of VND370 billion over the same period last year. All products remain fully sold and oversubscribed. The realized prices for tungsten and fluorspar continue to grow as customer need for reliability and security of products are increasingly becoming a major priority. New potential sales arrangements remain under evaluation with discussions being focused on arrangements that are long-term and strategic in nature.
- **EBITDA increased by 41%** - On account of cost control initiatives implemented last year, there is a marked improvement in the Company’s operating cash cost. Compared with the average EBITDA margin over 2016, EBITDA margins in 3M2017 have increased 6%. Management continues to look to drive down costs in 2017 as it implements an innovative initiative formulated at the start of 2017. Management remains committed to the belief that operating in the lower cost quartile for cash costs is a core competitive advantage of the Company.
- **Attributable net profit of VND44 billion** - Ability to reduce cash costs while increasing overall productivity has allowed the Company to better manage cash flow. This coupled with a strong and stable US dollar denominated cash flow stream, which is highly sought after by financial institutions in Vietnam, and has enabled management to renegotiate down the Company’s financing cost. Steps have also been taken to aggressively prepay debt ahead of schedule to reduce financing charges. The Company’s credit profile continues to improve and the same will be recognized by the Company’s financial partners, old and new, over the course of 2017.

VND Billion	3M2017	3M2016	Growth
Masan Resources Consolidated Financial Results⁽¹⁾			
Net Revenue	1,176	806	46%
EBITDA ⁽²⁾	634	449	41%
Attributable Net Profit/(Loss) After Tax (VAS)	44	11	300%

⁽¹⁾ Financial numbers are based on management figures.

⁽²⁾ Earnings before interest, taxation, depreciation and amortization (EBITDA) excludes other income and other expenses.

MARKET HIGHLIGHTS: EARLY SIGNS OF GROWTH

- Tungsten prices started the year at US\$187/mtu and since the start of March have traded between US\$200/mtu and US\$212/mtu with the APT LMB Low notation currently at US\$208/mtu.
- Manufacturing data out of the USA, Eurozone, Japan and China are all showing signs of growth and global rig count is up from the end of 2016.
- Supply side factors continue to support tungsten prices. Environmental concerns in China have prompted a year-long government inspection of mines. Accordingly, market observers are expecting China tungsten producers to continue to limit production as they prepare for increased environmental scrutiny.
- All ex-China primary tungsten projects continue to struggle to secure funding or provide any consistent production. The Company's Ex-China market share of primary supply has improved from 36% to 39%. With the Ex-China market needing in excess of 35,000 tons per annum of tungsten, of which only approximately 15,000 tons per annum is met through primary production, Ex-China downstream processors are having to heavily rely on tungsten from scrap recycling - a much more expensive alternative to primary production.

AVERAGE COMMODITY PRICES	Unit	Average 3M2017	Average 3M2016	% change	At 31.03.17†	At 31.03.16
APT European Low*	\$/mtu	191	163	17%	208	168
Bismuth Low*	\$/lb	4.5	4.2	7%	4.5	4.3
Copper*	\$/t	5,831	4,672	25%	5,849	4,856
Fluorspar Acid Grade**	\$/t	281	242	16%	330	240

* Metals Bulletin, ** Industrial Minerals

† Fluorspar Acid Grade price as on 30th Mar'17

OPERATIONAL HIGHLIGHTS: DOING MORE FROM LESS

- In line with its goal of doing more from less, 3,934 tons of contained tungsten equivalent units were recovered from 962,000 tons of material processed, a significant increase from the same period last year. Management is in the process of implementing an efficiency innovation that would increase tungsten recoveries to 75% from 65%. On achieving the targeted recovery, the Nui Phao Project would have the highest recovery from a pure scheelite tungsten gravity processing facility globally.
- The Company is also in the process of introducing an innovative partnership program that would help further develop the Company's indigenous suppliers by reducing their cost of production. In return, the Company would be able to procure its consumables at rates lower than ever before. Now in a position to leverage its strength and reputation, going forward the Company will actively look to pursue initiatives that benefit its eco-system as a whole.
- As part of a drive to increase human capital efficiency, in 2017, the Company is implementing a program comprised of 90,000 man hours of training specifically targeting local staff and new hires. In 3M2017, 25,087 training man hours were conducted for 885 employees, an average of 28.3 man hours per employee.

SUMMARY PRODUCTION DATA	Unit	Q12017	Q12016	Growth
Material processed	kt	962	813	18%
Tungsten concentrate (contained)	t	1,869	1,407	33%
Tungsten equivalent units (contained) ⁽¹⁾	t	3,934	2,984	32%

⁽¹⁾ Nui Phao finished products are converted to a tungsten equivalent units

ABOUT MASAN RESOURCES CORPORATION

Masan Resources is one of the largest private sector mineral resources and chemical processing companies in Vietnam, currently operating the world-class Nui Phao polymetallic project in Northern Vietnam. Nui Phao is the largest operating tungsten mine in the world by reserves and the industry's first new tungsten project to be commissioned in over a decade. Masan Resources is also a globally significant producer of fluorspar and bismuth. Masan Resource's vision is to show the world that a Vietnamese company can lead the transformation of the global tungsten market.

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